

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

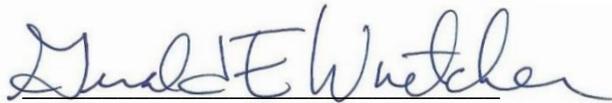
**ELECTRONIC APPLICATION OF ESTILL )  
COUNTY WATER DISTRICT NO. 1 FOR A ) CASE NO. 2019-00119  
SURCHARGE TO FINANCE WATER LOSS )  
CONTROL EFFORTS )**

**RESPONSE OF ESTILL COUNTY WATER DISTRICT NO. 1  
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

Estill County Water District No. 1 submits its Response to Commission Staff's First Request for Information.

Dated: October 21, 2019

Respectfully submitted,



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*Counsel for Estill County Water District No. 1*

**CERTIFICATE OF SERVICE**

In accordance with 807 KAR 5:001, Section 8, I certify that Estill County Water District No. 1's electronic filing of this Response is a true and accurate copy of the same document being filed in paper medium; that the electronic filing was transmitted to the Public Service Commission on October 21, 2019; that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding; and that on or before October 23, 2019 this Response in paper medium will be delivered to the Public Service Commission.



**COMMONWEALTH OF KENTUCKY**  
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**In the Matter of:**

<b>ELECTRONIC APPLICATION OF ESTILL</b>	)	
<b>COUNTY WATER DISTRICT NO. 1 FOR A</b>	)	<b>CASE NO. 2019-00119</b>
<b>SURCHARGE TO FINANCE WATER LOSS</b>	)	
<b>CONTROL EFFORTS</b>	)	

**RESPONSE OF**  
**ESTILL COUNTY WATER DISTRICT NO. 1**  
**TO**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

**FILED: October 21, 2019**



**ESTILL COUNTY WATER DISTRICT NO. 1**

**Response to Commission Staff's First Request for Information  
Case No. 2019-00119**

Question No. 1

Responding Witness: Audrea Miller

- Q-1. Provide a copy of any correspondence between Bell Engineering and Estill District No. 1 regarding the Preliminary Opinion of Probable Project Cost ("Preliminary Opinion") included in its application.**
- A-1. No correspondence between Bell Engineering and Estill County Water District No. 1 regarding the Preliminary Opinion of Probable Project Cost exists.

**ESTILL COUNTY WATER DISTRICT NO. 1**

**Response to Commission Staff's First Request for Information  
Case No. 2019-00119**

Question No. 2

Responding Witness: Audrea Miller

- Q-2. Confirm that Estill District No. 1 intends to undertake the construction and installation of the items included in the Preliminary Opinion.**
- a. If the statement in Item 2 above can be confirmed, provide a timeline for when Estill District No. 1 will begin the purchase of new meters and when the proposed capital projects would begin.**
  - b. If the statement in Item 2 above can be confirmed, state whether Estill District No. 1 has obtained bids for the project outlined in the Preliminary Opinion.**
  - c. The three-year surcharge, if approved, will produce \$479,400 in income, but the Preliminary Opinion provides a project cost estimate of \$1,021,000 [footnotes omitted]. Explain the source of the additional funding requirement**
- A-2. Estill County Water District No. 1 ("Estill District") intends to undertake the construction and installation of the items listed in the Preliminary Opinion. The backflow prevention device to the Preliminary Opinion refers has already been installed at the Irvine Municipal Utilities master meter site.**
- a. The purchase of the metering equipment and its subsequent installation is not expected to begin until late Spring 2020. After filing its application in this proceeding, Estill District was invited by the Kentucky Infrastructure Authority ("KIA") to apply for loans totaling \$1,580,000 to fund two proposed improvement projects: WX21065006 and WX21065009. KIA further advised that \$790,000 of these loans were eligible for loan forgiveness. Estill District has accepted the invitation and has applied for the loans. (These proposed projects were subsequently merged and are now identified as Project No. WX21065009. A copy of the project profile for this project is attached to this Response.) KIA has advised that Estill District's application is likely to receive approval by early Spring. Before any purchase can be made or a loan agreement executed, Estill District must apply to the Public Service Commission for authorization to enter any loan and, depending upon the number of meters to be purchased and install, obtain a certificate of public convenience and necessity. Estill District currently estimates that such approvals would not be obtained until late Spring 2020.**

## **ESTILL COUNTY WATER DISTRICT NO. 1**

### **Response to Commission Staff's First Request for Information Case No. 2019-00119**

#### Question No. 2

Responding Witness: Audrea Miller

- b. As of this date, no bids have been obtained. Estill District expects to obtain bids and select a vendor shortly before applying to the Public Service Commission for authorization to enter an Assistance Agreement with KIA.
  
- c. Estill District is currently studying an application for an additional loan from Rural Development ("RD"). Estill District is currently a borrower in good standing after making its scheduled loan and principal payments under the new loan payment schedule. Please note that at the time of its application to the Public Service Commission Estill District had not anticipated receiving any funding from either KIA or RD. If such funding becomes available, Estill District would seek approval from the Public Service Commission to use the surcharge proceeds to finance other critical items identified in the Corrective Action Report, including hiring additional personnel for leak detection and repair activities. The purchase and installation of metering equipment is expected to reduce unaccounted-for water resulting from inaccurate metering equipment and to allow Estill District to more readily identify water leaks, but the leaks must still be repaired. Additional personnel must be hired to meet that need.



# Drinking Water Project Profile

Legal Applicant:	<b>Estill County Water District #1</b>		
Project Title:	<b>ECWD - Phase 11 - System Improvements &amp; Meter Purchase and Replacement Project</b>		
Project Number:	<b>WX21065009</b>	<a href="#">View Map</a>	Submitted By: <b>BGADD</b>
Funding Status:	<b>Not Funded</b>		Primary County: <b>Estill</b>
Project Status:	<b>Approved</b>		Planning Unit: <b>Unit 1</b>
Project Schedule:	<b>0-2 Years</b>		Multi-County: <b>No</b>
E-Clearinghouse SAI:	<b>KY201910021221</b>		ECH Status: <b>Under Review</b>
Applicant Entity Type:	<b>Water District (KRS 74)</b>		ADD WMC Contact: <b>Karyn Leverenz</b>
Date Approved (AWMPC):	<b>10-19-2018</b>		

## Project Description:

**This project has been amended to include what was previously WX21065006.**

**The project will involve implementing improvements designed to help reduce unaccounted for water in the system. Work will include to the installation of flow metering devices and backflow prevention devices, development of a hydraulic model, relocation/replacement of six (6) substandard existing river crossings, and replace approximately 20% of the existing residential meters.**

**This project will also purchase and install new residential meters throughout the service area. The ECWD currently services approximately 4000 residential and commercial customers in Estill County. This project will be an owner purchase materials project with the replacement being accomplished using ECWSD force labor and equipment.**

## Need for Project:

*Briefly describe how this project promotes public health or achieves and/or maintains compliance with the Clean Water Act or Safe Drinking Water Act:*

**The project will involve implementing improvements designed to help reduce unaccounted for water in the system. Work will include but not be limited to the installation of flow metering devices and backflow prevention devices, development of a hydraulic model, relocation/replacement of six (6) substandard existing river crossings, and replace approximately 20% of the existing residential meters.**

**Additionally, the project is being developed as a portion of a concerted effort by the ECWD to reduce its overall unaccounted for water loss. On site testing indicates that current meters are rapidly approaching the end of their useful life and are inaccurate in measuring low "trickle" flows. To date the ECWD has taken an active approach to minimizing unaccounted for water loss to include but not limited to upgrading pump stations, telemetry upgrades, valve replacements, installation of test meter assemblies throughout the system, utilization of leak detection services and purchasing a hydraulic model of the system.**

## Project Alternatives:

### Alternate A:

**Replacement of a small portion of the system thought to be a source of loss. This option has been considered, however; the District feels it needs to put in place flow monitoring devices so that the system can be evaluated as a whole and the specific problematic areas identified for repair or replacement.**

**Repair faulty meters. This option is not viable due to the fact that often times repairs exceed the cost of replacement and often times said meters have to be shipped off for repair forcing the ECWD to**

### Alternate B:

**Establish additional sources of supply to include other interconnects and/or a treatment facility. Given the problems associated with the existing system, the District feels it is in their best interest and the best interest of the residents of Estill County, to repair and/or replace what is already in use. In order to identify the problematic areas and focus efforts and resources, the District feels that monitoring devices and a comprehensive hydraulic model are needed.**



# Drinking Water Project Profile

WX21065009 - Estill County Water District #1

ECWD - Phase 11 - System Improvements & Meter Purchase and Replacement Project

## Legal Applicant:

Entity Type: **Water District (KRS 74)**

PSC Group ID: **21500**

Entity Name: **Estill County Water District #1**

Web URL: <http://www.estillcountywater.com/>

Office EMail: [ecwd1@alltell.net](mailto:ecwd1@alltell.net)

Office Phone: **606-723-3795**

Toll Free:

Fax:

Mail Address Line 1: **76 Cedar Grove Rd**

Phys Address Line 1:

Mail Address Line 2:

Phys Address Line 2:

Mail City, State Zip: **Irvine, KY 40336**

Phys City, State Zip:

Contact: **Audrea Miller**

Financial Contact:

Auth Official: **Blain Click**

Contact Title: **General Manager**

Financial Contact Title:

Auth Official Title: **Chair**

[a.miller@estillcountywater.c](mailto:a.miller@estillcountywater.com)

Contact EMail: **om**

Financial Contact EMail:

Auth Official EMail:

Contact Phone: **606-723-3795**

Financial Contact Phone:

Auth Official Phone: **606-723-3795**

Data Source: **Kentucky Infrastructure Authority**

Date Last Modified: 03.15.2019

## Project Administrator (PA) Information

Name: **Karyn Leverenz**

Title: **Infrastructure Development Coordinator**

Organization: **Bluegrass Area Development District**

Address Line 1: **699 Perimeter Dr**

Address Line 2:

City: **Lexington** State: **KY** Zip: **40517**

Phone: **859-269-8021** Fax: **859-269-7917**

## Applicant Contact (AC) Information

Name: **Audrea Miller**

Title: **Office Manager**

Organization: **Estill County Water District #1**

Address Line 1: **76 Cedar Grove Rd**

Address Line 2:

City: **Irvine** State: **KY** Zip: **40336**

Phone: **606-723-3795** Fax: **606-726-9063**

## Project Engineer (PE) Information:

This project requires a licensed Professional Engineer.

A Professional Engineer has been procured for this project.

### Project Engineer Information:

License No: **PE 24245**

PE Name: **Robert Alan Bowman**

Phone: **606-365-2534** Fax: **859-278-2911**

E-Mail: [abowman@hkbell.com](mailto:abowman@hkbell.com)

Firm Name: **Bell Engineering**

Addr Line 1: **Bell Engineering**

Addr Line 2: **2480 Fortune Drive**

Addr Line 3: **Ste 350**

City: **Stanford** State: **KY** Zip: **40484**

Status: **Current** Disciplinary Actions: **NO**

Issued: **06-09-2005** Expires: **06-30-2021**

### Engineering Firm Information:

Permit No: **152**

Firm Name: **Bell Engineering**

Phone: **859-278-5412** Fax: **859-278-2911**

Web URL: <http://www.hkbell.com/>

E-Mail: [jroberts@hkbell.com](mailto:jroberts@hkbell.com)

Addr Line 1: **2480 Fortune Drive, Ste. 350**

Addr Line 2:

City: **Lexington** State: **KY** Zip: **40509**

Status: **Current** Disciplinary Actions: **NO**

Issued: **03-29-1993** Expires: **12-31-2019**



# Drinking Water Project Profile

WX21065009 - Estill County Water District #1

ECWD - Phase 11 - System Improvements & Meter Purchase and Replacement Project

## Estimated Budget

Project Cost Categories:	
Cost Category	Cost
Administrative Expenses:	\$ 65,000
Legal Expenses:	\$ 25,000
Land, Appraisals, Easements:	\$ 10,000
Relocation Expenses & Repayments:	
Planning:	
Engineering Fees - Design:	\$ 106,950
Engineering Fees - Construction:	\$ 41,550
Engineering Fees - Inspection:	\$ 106,000
Engineering Fees - Other:	\$ 20,000
Construction:	\$ 1,800,000
Equipment:	
Miscellaneous:	\$ 25,000
Contingencies:	\$ 199,950
<b>Total Project Cost:</b>	<b>\$ 2,399,450</b>

Construction Cost Categories:	
Cost Category	Cost
Treatment:	
Transmission & Distribution:	\$ 1,775,000
Source:	
Storage:	
Purchase of Systems:	
Restructuring:	
Land Acquisition:	
Non-Categorized:	\$ 25,000
<b>Total Construction Cost:</b>	<b>\$ 1,800,000</b>
<b>Total Sustainable Infrastructure Costs:</b>	

Note: Total Sustainability Infrastructure Costs are included within construction and other costs reported in this section. This breakout is provided for SRF review purposes.

## Project Funding Sources:

Total Project Cost: **\$2,399,450**

Total Committed Funding: **\$0**

Funding Gap: **\$2,399,450 (Not Funded)**

This project will be requesting SRF funding for fiscal year 2021.

## Estimated Project Schedule:

Est. Environmental Review Submittal Date: **11-26-2019**

Estimated Bid Date: **04-23-2020**

Estimated Construction Start Date: **05-27-2020**

Estimated Construction Completion Date: **07-29-2020**

Funding Source	Loan or Grant ID	Fiscal Year	Amount	Status	Applicable Date
ARC			\$500,000	Anticipated	
USDA RD Loan			\$1,432,088	Anticipated	
USDA RD Grant			\$467,362	Anticipated	
KIA SRF Fund F Loan (DW)	F20-013	2020	\$1,580,000	Applied For	8/19/2019
<b>Total Committed</b>					

## Funding Source Notes:

## The following systems are beneficiaries of this project:

**KY0330123 Estill County Water District #1**

Note: Check mark indicates primary system for this project.

## Project Ranking by AWMPC:

Regional Ranking(s):

Planning Unit Ranking:

Total Points:

- Plans and specs have been sent to DOW.
- Plans and specs have been reviewed by DOW.
- Plans and specs have been sent to PSC.
- Plans and specs have been reviewed by PSC.

## Economic, Demographic and Geographic Impacts

Economic Impacts	
Jobs Created:	
Jobs Retained:	

*Demographic Impacts (GIS Census Overlay)			
Serviceable Demographic	Project Area	Included Systems	Included Utilities
Population:		9,378	9,378



# Drinking Water Project Profile

WX21065009 - Estill County Water District #1

ECWD - Phase 11 - System Improvements & Meter Purchase and Replacement Project

Households:	4,255	4,255
MHI:	\$30,080	*\$30,080
MHI MOE	\$9,142	*\$9,142
MOE as Pct:	30.0%	30.0%
**NSRL:	2	2

Population and household counts are based on 2010 census block values from the SF1 (100%) dataset.

MHI Source is from the American Community Survey 2013-2017 5Yr Estimates (Table B19013) \*(for the primary system operated by the above listed beneficiary utilities).

MHI MOE = Med HH Income Margin of Error.

\*\* NSRL (Non-Standard Rate Levels):  
 0 = Income above Kentucky MHI (KMHI).  
 1 = Income between 80% KMHI and KMHI.  
 2 = Income less than or equal to 80% KMHI.  
 - KMHI = \$46,535  
 - 80% KMHI = \$37,228

New Customers	
New Residential Customers:	
New Commercial Customers:	
New Institutional Customers:	
New Industrial Customers:	

New or Improved Service		
Service Demographic	Survey Based	Census Overlay*
To Unserved Households:		
To Underserved Households:	4,000	
To Total Households:	4,000	
** Cost Per Household:		\$600

\* GIS Census block overlay figures are estimates of population and households potentially served by systems and projects based on a proximity analysis of relevant service lines to census block boundaries.

\*\* Cost per household is based on surveyed household counts, not GIS overlay values.

## Geographic Impacts For Project Area

Counties
Estill

## Legislative Districts

District Name	Legislator
House 091	Cluster Howard
Senate 21	Albert Robinson
Congressional 6	Andy Barr

## Groundwater Sensitivity Zones

## HUC 10 Watersheds

HUC Code	Watershed Name
0510020403	Lower Red River
0510020404	Station Camp Creek
0510020405	Millers Creek-Kentucky River

## Geographic Impacts For Included System(s)

Counties
Estill
Jackson
Lee
Madison
Powell

## Legislative Districts

District Name	Legislator
House 074	David Hale
House 089	Robert Goforth
House 091	Cluster Howard
Senate 21	Albert Robinson
Senate 25	Robert Stivers II
Congressional 5	Hal Rogers
Congressional 6	Andy Barr



# Drinking Water Project Profile

WX21065009 - Estill County Water District #1

ECWD - Phase 11 - System Improvements & Meter Purchase and Replacement Project

## DW Specific Impacts:

- This project relates to a public health emergency.
- This project will assist a non-compliant system to achieve compliance.
- This project will assist a compliant system to meet future requirements
- This project will provide assistance not compliance related.
- This project is necessary to achieve full or partial compliance with a court order, agreed order, or a judicial or administrative consent decree.
- Primary system has not received any SDWA Notices of Violation within the previous state fiscal year-July through June, i.e. July 2014 – June 2015).

## Project Inventory (Mapped Features):

Mapped Point Features							
DOW Permit ID	Count	FeatureType	Purpose	Status	Existing Capacity	Proposed Capacity	Units
KY0330123	1	RADIO METER	WATER EFF - UNMETERED AREA	REHAB			EA
KY0330123	1	TRADITIONAL METER	WATER EFF - TRADITIONAL METERS	NEW			EA

Mapped Line Features							
DOW Permit ID	Line Type	Purpose	Activity	Size (in.)	Material	Length (LF)	
KY0330123	WATER LINE: FINISHED	DISTRIBUTION	REHAB - REPLACE PROBLEM LINES	3.00	PVC	455	
KY0330123	WATER LINE: FINISHED	DISTRIBUTION	REHAB - REPLACE PROBLEM LINES	4.00	PVC	356	
KY0330123	WATER LINE: FINISHED	DISTRIBUTION	REHAB - REPLACE PROBLEM LINES	6.00	PVC	110	
					Total Length	921	

## Administrative Components:

- Planning
  Design
  Construction
  Management

## Regionalization Components:

### Public Water Systems Eliminated:

- this project includes the elimination of public water system(s) through merger or acquisition.

### Water Treatment Plants Eliminated:

- This project includes the elimination of water treatment plant(s) through interconnect(s).

### Supplementation of Raw Water Supply:

- This project includes supplementing the existing raw water supply.

### Supplementation of Potable Water Supply:

- This project includes supplementing the existing potable water supply.

### Emergency Only Water Supply:

- This project provides emergency only water supply.



**Water Source Protection:**

- This project includes land acquisition for water source protection.
- 

**Water Treatment Components:**

- This project includes water treatment components

**Treatment Activities:**

- This project includes a new water treatment plant.
- This project includes an expansion of an existing water treatment plant.
- This project includes rehabilitation of an existing water treatment plant.
- This project includes upgrades to an existing water treatment plant.
- This project includes emergency power generators for treatment activities.
- This project includes redundant treatment processes.

**Acute Public Health Risk:**

- This project includes infrastructure options to meet Cryptosporidium removal/inactivation requirements.
- This project includes infrastructure options to meet CT inactivation requirements.

**Chronic Public Health Risk:**

- This project includes treatment modifications to meet the Disinfectants/Disinfection Byproducts Rule at the water treatment plant.
- This project will provide treatment modifications for VOCs, IOCs, SOC, or Radionuclides.

**Secondary Contaminants:**

- This project includes treatment modifications to address Secondary Contaminants.

**Security:**

- This project includes security components for water treatment facilities.

**Water Distribution and Storage:**

- This project includes water distribution and/or storage components.

**Water Line Extensions:**

- This project includes water line extension(s).

**Redundancy Components:**

- This project includes emergency power generators for distribution and/or storage activities.

Number of units provided: **0**

- This project includes redundant distribution and/or storage processes.



# Drinking Water Project Profile

WX21065009 - Estill County Water District #1

ECWD - Phase 11 - System Improvements & Meter Purchase and Replacement Project

### Finished Water Quality:

- This project includes infrastructure to address inadequate water turnover and disinfection byproducts (DBPs).
- This project includes infrastructure to address inability to maintain disinfection residual.

### Water Line Replacement:

- This project replaces problem water lines (breaks, leaks, or restrictive flows due to age), water lines consisting of lead and/or asbestos-cement (AC), and/or inadequately sized water lines.

Total length of line replacement: **921**

### Water Storage and Pressure Components:

- This project includes the construction of new water tank(s).
- This project includes the replacement of existing water tank(s).
- This project includes the rehabilitation of existing water tank(s).

Number of rehabilitated tanks: **0**

- This project includes the construction of new pump station(s).

Number of new pump stations: **0**

- This project includes the rehabilitation of existing pump station(s).

Number of rehabilitated pump stations: **0**

### Security:

- This project includes security components for water distribution infrastructure.

### Sustainable Infrastructure - Green Infrastructure:

*Green stormwater infrastructure includes a wide array of practices at multiple scales that manage wet weather and that maintains and restores natural hydrology by infiltrating, evapotranspiring and harvesting and using stormwater. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains, and wetlands, coupled with policies such as infill and redevelopment that reduce overall imperviousness in a watershed. On the local scale, green infrastructure consists of site and neighborhood-specific practices, such as:*

#### Component

#### Cost

- Bioretention
- Trees
- Green Roofs
- Permeable Pavement
- Cisterns

**Total Green Infrastructure Cost: \$0**

***There are no Green Infrastructure components specified for this project.***



# Drinking Water Project Profile

WX21065009 - Estill County Water District #1

ECWD - Phase 11 - System Improvements & Meter Purchase and Replacement Project

## Sustainable Infrastructure - Water Efficiency:

*The use of improved technologies and practices to deliver equal or better services with less water. Water efficiency encompasses conservation and reuse efforts, as well as water loss reduction and prevention, to protect water resources for the future. Examples include:*

Component	Cost
<input type="checkbox"/> Installing or retrofitting water efficient devices such as plumbing fixtures and appliances (toilets, showerheads, urinals).	
<input type="checkbox"/> Installing any type of water meter in previously unmetred areas (can include backflow prevention if in conjunction with meter replacement).	
<input checked="" type="checkbox"/> Replacing existing broken/malfunctioning water meters with AMR or smart meters, meters with leak detection, backflow prevention.	<b>\$270,000</b>
<input type="checkbox"/> Retrofitting/adding AMR capabilities or leak equipment to existing meters.	
<input checked="" type="checkbox"/> Conducting water utility audits, leak detection studies, and water use efficiency baseline studies, which are reasonably expected to result in a capital project or in a reduction in demand to alleviate the need for additional capital investment.	<b>\$25,000</b>
<input type="checkbox"/> Developing conservation plans/programs reasonable expected to result in a water conserving capital project or in a reduction in demand to alleviate the need for capital investment.	
<input type="checkbox"/> Recycling and water reuse projects that replace potable sources with non-potable sources (Gray water, condensate, and wastewater effluent reuse systems, extra treatment or distribution costs associated with water reuse).	
<input type="checkbox"/> Retrofit or replacement of existing landscape irrigation systems to more efficient landscape irrigation systems.	
<input type="checkbox"/> Water meter replacement with traditional water meters.*	
<input type="checkbox"/> Distribution pipe replacement or rehabilitation to reduce water loss and prevent water main breaks.*	
<input type="checkbox"/> Storage tank replacement/rehabilitation to reduce water loss.*	
<input type="checkbox"/> New water efficient landscape irrigation system, where there currently is not one.*	
<b>Total Water Efficiency Cost:</b>	<b>\$295,000</b>

*\* Indicates a business case may be required for this item.*

**Water Meter Replacement - Replace approximately 20% of residential meters (500 each) to a meter that will record low flows.**

**Distribution Pipe Replacement - Relocate six (6) sub standard river crossing to mitigate potential future line failures. Install flow monitoring devices at all tank sites and throughout the system to help quantify system flows and identify areas that are problematic.**

**Hydraulic Model - Hire professional services to develop and manage a comprehensive hydraulic model.**



# Drinking Water Project Profile

WX21065009 - Estill County Water District #1

ECWD - Phase 11 - System Improvements & Meter Purchase and Replacement Project

## Sustainable Infrastructure - Energy Efficiency:

Energy efficiency is the use of improved technologies and practices to reduce the energy consumption of water projects, use energy in a more efficient way, and/or produce/utilize renewable energy. Examples include:

Component	Cost
<input type="checkbox"/> Renewable energy projects, which are part of a public health project, such as wind, solar, geothermal, and micro-hydroelectric that provides power to a utility.	
<input type="checkbox"/> Utility-owned or publicly-owned renewable energy projects.	
<input type="checkbox"/> Utility energy management planning, including energy assessments, energy audits, optimization studies, and sub-metering of individual processes to determine high energy use areas.	
<input type="checkbox"/> Energy efficient retrofits, upgrades, or new pumping systems and treatment processes (including variable frequency drives (VFDs)).*	
<input type="checkbox"/> Pump refurbishment to optimize pump efficiency.*	
<input type="checkbox"/> Projects that result from an energy efficient related assessment.*	
<input type="checkbox"/> Projects that cost effectively eliminate pumps or pumping stations.*	
<input type="checkbox"/> Projects that achieve the remaining increments of energy efficiency in a system that is already very efficient.*	
<input type="checkbox"/> Upgrade of lighting to energy efficient sources.*	
<input type="checkbox"/> Automated and remote control systems (SCADA) that achieve substantial energy savings.*	
<b>Total Energy Efficiency Cost:</b>	<b>\$0</b>

\* Indicates a business case may be required for this item.

**There are no Energy Efficiency components specified for this project.**

## Sustainable Infrastructure - Environmentally Innovative:

Environmentally innovative projects include those that demonstrate new and/or innovative approaches to delivering services or managing water resources in a more sustainable way. Examples include:

Component	Cost
<input type="checkbox"/> Total integrated water resources management planning, or other planning framework where project life cycle costs are minimized, which enables communities to adopt more efficient and cost-effective infrastructure solutions.	
<input type="checkbox"/> Plans to improve water quantity and quality associated with water system technical, financial, and managerial capacity.	
<input type="checkbox"/> Source water protection planning (delineation, monitoring, modeling).	
<input type="checkbox"/> Planning activities to prepare for adaptation to the long-term effects of climate change and/or extreme weather.	
<input type="checkbox"/> Utility sustainability plan consistent with EPA's sustainability policy.	
<input type="checkbox"/> Greenhouse gas inventory or mitigation plan and submission of a GHG inventory to a registry as long as it is being done for an SRF eligible facility.	
<input type="checkbox"/> Construction of US Building Council LEED certified buildings, or renovation of an existing building.	
<input type="checkbox"/> Projects that significantly reduce or eliminate the use of chemicals in water treatment.*	
<input type="checkbox"/> Treatment technologies or approaches that significantly reduce the volume of residuals, minimize the generation of residuals, or lower the amount of chemicals in the residuals.*	
<input checked="" type="checkbox"/> Trenchless or low impact construction technology.*	<b>\$10,000</b>
<input type="checkbox"/> Using recycled materials or re-using materials on-site.*	
<input type="checkbox"/> Educational activities and demonstration projects for water or energy efficiency (such as rain gardens).*	
<input type="checkbox"/> Projects that achieve the goals/objectives of utility asset management plans.*	
<b>Total Environmentally Innovative Cost:</b>	<b>\$10,000</b>

\* Indicates a business case may be required for this item.

**This project will involve some direction drill or traditional bore and encasement.**



# Drinking Water Project Profile

WX21065009 - Estill County Water District #1

ECWD - Phase 11 - System Improvements & Meter Purchase and Replacement Project

## Sustainable Infrastructure - Asset Management:

*If a category is selected, the applicant must provide proof to substantiate claims. The documents must be submitted to Anshu Singh (Anshu.Singh@ky.gov) for CW projects*

### Component

Last Rate Adjustment Date: **08-20-2018** [Download Fee Schedule](#)

Rate Adjustment Age: **17 months**

System's monthly water bill, based on 4,000 gallons, as a percentage of MHI: **1.70%**

- The system(s) has a Capital Improvement Plan or similar planning document.
- The system(s) involved in this project have specifically allocated funds for the rehabilitation and replacement of aging and deteriorating infrastructure.

**Project Status:** Approved

Date Approved: 10-19-2018

Date Revised:

**ESTILL COUNTY WATER DISTRICT NO. 1**

**Response to Commission Staff's First Request for Information  
Case No. 2019-00119**

Question No. 3

Responding Witness: Audrea Miller

**Q-3. Explain whether Estill District No. 1 intends to use the proposed surcharge funds for any other projects other than the one specified in the Preliminary Opinion.**

A-3. As additional funding from other sources becomes available, Estill County Water District No. 1 may seek to use surcharge proceeds for projects other than those identified in the Preliminary Opinion. As noted in its Application, Estill District will only use surcharge proceeds for Public Service Commission-approved purposes. It will seek prior approval from the Public Service Commission for such other uses. Those "other uses" would be projects that are identified in the Corrective Action Plan.

**ESTILL COUNTY WATER DISTRICT NO. 1**

**Response to Commission Staff's First Request for Information  
Case No. 2019-00119**

Question No. 4

Responding Witness: Audrea Miller

- Q-4. Confirm whether Estill District No. 1 plans to use the funds collected by the surcharge to secure a loan. If this can be confirmed, state whether the terms of such a loan have been discussed and if so, state what the loan terms would be.**
- A-4. In light of the availability of funding through the Kentucky Infrastructure Authority, Estill County Water District No. 1 ("Estill District") does not currently have any plans to use the surcharge proceeds to secure a loan. However, Estill District reserves the option of leveraging the surcharge proceeds to obtain additional loans if necessary. Estill District believes that such action would require at a minimum advance notice of its intended action to the Public Service Commission and possibly Commission approval.

**ESTILL COUNTY WATER DISTRICT NO. 1**

**Response to Commission Staff's First Request for Information  
Case No. 2019-00041**

Question No. 5

Responding Witness: Audrea Miller

**Q-5. If Estill District No. 1 plans to secure a loan, state whether it intends to make a separate filing with the Commission pursuant to KRS 278.300 or KRS 278.023 to obtain approval of financing.**

A-5. Estill County Water District No. 1 ("Estill District") currently has no plans to secure a loan. It acknowledges and affirms its obligation to comply with KRS 278.023 and KRS 278.300 should it borrow funds or issue evidences of indebtedness. Any approval required under KRS 278.023 or KRS 278.300 will require a separate filing with the Public Service Commission.

There may be instances in which Public Service Commission approval would not be required. For example, if Estill District executed a promissory note with a term of two years or less. If surcharge proceeds are being used to secure and repay the loan, however, Estill District believes that the purpose for which the loan proceeds are used would require Public Service Commission approval under the conditions that the Public Service Commission has attached to the billing and collection of the surcharge. For example, if Estill District executed a two-year promissory note to enable the immediate purchase of metering equipment and the surcharge proceeds will be used to retire this note, KRS 278.300 would not require prior Commission authorization of the issuance of the note but the surcharge conditions would require prior Commission approval of the use of the surcharge proceeds to retire the note.